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CENTRAL INTELLIGENCE AGENCY

REPORT NO.

~~INFORMATION REPORT~~

CD NO.

COUNTRY Germany (Russian Zone/Western Zones)

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SUPPLEMENT TO
REPORT NO.

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1. Personal data on Willy Hain, who played a prominent part in East-West transactions of the Berlin Industrial and Economical Agencies (BIHK), and of Safianides, alias Safilides, who is to tour the Western Zones on orders of the Berlin Central Kommandatura, were checked by a source working independently. Following were the results:

a. The personal data of Willy Hain, as previously known, are correct. Hain lives at 2b (not 11) Scharnhorststrasse, Berlin, Soviet Sector, and calls himself an administrative employee.

b. The Safianidis Firm, 9 Bolivar Allee, Berlin-Charlottenburg, is operated by Gregor Safianidis, a Greek national, born 15 May 1875 in Odessa, and his son, Leonidas Safianidis, born 14 August 1917 in Leningrad. The younger Safianidis came to Berlin from Bern on 13 October 1949.

2. The following data on Willy Hain

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Hain was formerly deputy town mayor of the Berlin-Center district. He lives with his wife and daughter in a five-room apartment, and seems to have ample resources. He is believed to be a smuggler and profiteer. He frequently goes to the Western Zones to smuggle. He has stated that he had to sell stockings in the Western Zones of Germany to procure Western money for the BIHK. He travelled to Duesseldorf (A 52/F 39) in late February or early March 1950. With an unidentified companion, he was arrested and held for about a week. The arrest was said to have been connected with his smuggling of stockings. Hain is a close friend of Safianidis, who frequently visits him at his apartment.

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3. The following information

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a. Billy Hain intends to end his employment with the Magistrate of East Berlin, for reasons not known. The Soviet Control Commission will decide whether his resignation will be accepted.

b. Bernard Kiene, 14 Spielhagenstrasse, Berlin Charlottenburg, and Anton Dvorak, 24 Schenkerstrasse, Berlin-N, who have handled shipments from the Soviet Zone of Germany to West Berlin and the Western Zones of Germany on orders of the BIHK, have established a new firm called the HANDAG, a commercial agency. The office of this firm is at 40/41 Rosenthalerstrasse, Berlin. A man called Tempelshagen acts as official head of the firm, on orders of the West-Berlin Magistrate. Tempelshagen is believed to be a stupid individual with little knowledge of business. The business of the firm is the same as that of the BIHK: to handle transactions between the Soviet Zone of Germany and Western Berlin and the Western Zones of Germany.

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4. The following information [redacted] the BIHK and its branch offices in the Soviet Zone of Germany were incorporated in late 1949 into the German Foreign Trade Company (DAMA), Koenigstrasse, Berlin and act as an intermediate trade office for industrial products and other goods in the Soviet Zone of Germany. The following are known to be prominent in the DAMA:

Rehfeld, chief of the personnel section
 Hochmuth, chief clerk
 Dornbusch, secretary to the chief clerk
 Linke, first chairman of the committee of the company labor union.

These persons work in close contact with the SED central secretariate and watch the political attitude of the DAMA employees. They are convinced and loyal party members.

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Comment:

The management of official and unofficial interzonal trade appears to have been reorganized by the establishment of the DAMA. Hain's resignation and the establishment of the HANDAG may be linked with this reorganization. The DAMA has official representation in the Western Zones of Germany through its Dusseldorf (K 52/F 39) branch office, which is headed by Dr Alfred Kroth, a Communist, who acts as economic director. Other agencies are to be established in all major cities in the Western Zones of Germany.

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